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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## TOBACCO ASSOCIATION PLACES A SALESMAN IN EUROPE

Approximately fifty million pounds of tobacco was recently sold by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., to a single buyer, the consideration being \$14,250,000. This purchase included all the 1922 tobacco on hand and a portion of the 1923 re-dried tobacco. Another recent sale included 1,750,000 pounds of the re-dried 1923 crop. It is reported that the Italian government has made its third purchase from the association.

Arrangements have been made by the association to have its own salesman in Europe, a representative having established an office in Brussels. He will call upon the governments buying tobacco similar to Burley, also upon the private manufactures.

As all the tobacco of the 1922 crop has been sold steps are being taken by the management of the association to make the fourth and final payment to members who delivered tobacco of the 1922 crop.

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## A MOTION PICTURE TO ADVERTISE CALIFORNIA BUTTER IN HONOLULU

It was announced early in January that the Milk Producers Association of Central California, Modesto, Calif., during the preceding month made semi-annual interest payments amounting to 8% on certificates held by members. The organization claims to be the largest cooperative creamery association in the United States. During the twelve months ending with June, 1924, over 5,000,000 pounds of butter were made, and in addition to the butter, about 3,000,000 pounds of milk powder. The association has 1,600 members who own approximately 50,000 dairy cows. Plants are operated at Modesto and Stockton. During the year a new plant representing an investment of \$50,000 was erected at Stockton. A machine for making milk powder from skim milk was added to the equipment of the association.

For the purpose of advertising the quality merits of the butter produced at the association plants a motion picture was prepared. This has been sent to Honolulu where many pounds of Modesto butter are sold.

TWO COOPERATIVE DATE MARKETING ASSOCIATIONS IN U. S.

There are two associations on the Pacific Coast for the cooperative packing and selling of dates. One of these, the Deglet Noor Date Growers Association at Indio, Calif., was incorporated in 1919 and had 29 members in March of 1924. A second association was started in 1924 with 32 members.

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ADVERTISED FRUIT IN MIDDLE WESTERN STATES

Elberta peaches, Malaga and Tokay grapes were the products advertised the past season by the California Fruit Exchange, Sacramento. The advertising was mostly in the middle western states, the principal cities covered being Des Moines, Omaha, Sioux City, Lincoln, Hastings, Fremont, Norfolk and North Platte. An arrangement was worked out with the Nebraska-Iowa Jobbers' Association and the Produce Club of Des Moines whereby these organizations contributed dollar for dollar with the California Fruit Exchange. It is planned to make a careful study of the results obtained that accurate data may be at hand in planning future advertising campaigns.

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A CONSUMER PACKAGE FOR POTATOES

In its efforts to create an increased demand for the potatoes of its members the Minnesota Potato Growers Exchange, St. Paul, Minn., is trying out consumer packages. Heavy cardboard cartons holding 15, 30 and 60 pounds are being used. These are being packed with potatoes suitable for baking. Each carton is marked to indicate that it contains only selected Gopher State brand potatoes. It is expected that these packages will go through the channels of trade to the consumer.

Such steps as are being taken are viewed in the light of an experiment. It is appreciated that as yet nobody knows whether or not the consumer package idea is a sound one as regards potatoes, and if it is a practical proposition, what sized package will prove the most satisfactory. An important question to be settled is whether the potatoes put in special containers will sell for a sufficiently higher price to pay for the extra expense incurred by this form of merchandising.

THIRTY-FOUR INDIANA ASSOCIATIONS FORM A FEDERATION

The Indiana Canning Crops Exchange was formed at Indianapolis, Ind., November 10. This is a federation of 34 local associations which have been formed as the result of intensive field work on the part of the Indiana Farm Bureau Federation. Each local association is represented on the board of directors by one director with an additional director for each 100 members or major fraction of 100. The exchange is non-stock, non-profit. Its object is to facilitate the marketing of the canning crops of the members of the local associations by negotiating with the canners or their representatives. However, the plan of organization adopted is broad enough to permit the exchange to go into the canning business should such a course seem wise.

Members of the local associations are bound to these locals by marketing agreements.

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PEAR GROWERS DECIDE TO EXTEND MARKETING CONTRACT

As 1924 was the last year of the four-year trial contract of the California Pear Growers' Association, San Francisco, Calif., a ballot was taken by the directors recently to secure the opinions of the members regarding the option to extend the contract for three years. On December 16 ballots had been received from 62% of the membership, representing nearly 80% of the tonnage, and the directors were highly gratified by the support received from so large a number. The results of the ballot were as follows:

Total Membership and Tonnage

	: Number :	Per Cent :	:	Tons :	Per Cent
Members voted "Yes"	: 705 :	55.5 :	::	35,781 :	70.6
Members voted "No"	: 83 :	6.5 :	::	4,095 :	8.4
Members not voting	: 480 :	38.0 :	::	10,739 :	21.0
Total	: 1,268 :	100.0 :	::	50,645 :	100.0

Members Voting

Members voted "Yes"	: 705 :	89.5 :	::	35,781 :	89.75
Members voted "No"	: 83 :	10.5 :	::	4,095 :	10.25
Total	: 788 :	100.0 :	::	39,876 :	100.00

In accordance with the results of the ballot the directors adopted a resolution to exercise the option and to extend the pear crop agreement to cover the years 1925, 1926, and 1927. The annual meeting of the association is set for January 20.



MARKETING OF SUN-MAID RAISINS BECOMING MORE EFFICIENT

Remarkable progress is being made in the development of efficient methods of operation for the Sun-Maid Raisin Growers of California, Fresno. Statements issued under date of December 15, 1924, indicate that costs of performing the various functions incidental to the handling of raisins are being reduced.

It is stated that the gross expenses have been reduced from \$14.40 a month-ton for the first nine months of the calendar year 1922, to \$5.02 a month-ton for the first nine months of 1924. Advertising expenditures, based on raisin sales resulting from advertising, have been reduced from \$18.13 a ton in 1922 to \$9.56 in 1924.

Overhead expenses for raisins sold were \$17.97 for the first nine months of 1922 and but \$5.77 for the same period of 1924. The cost of selling a ton of raisins for the period, January to October, 1924, was but 63% of the cost for the same period of 1922.

Operating division expenses have been compiled for the crop years which extend from September 1 of one year to August 31 of the next. These expenses per month-ton for the three years ending with August 31, 1922, 1923, and 1924, were \$7.71; \$3.55, and \$3.51, respectively. In the crop year 1921-22 it cost \$2.49 a ton to finance the advances made to the raisin growers. In 1922-23 the cost was \$3.12; and in 1923-24 but \$2.10. During the three years the cost of working capital per month-ton has been reduced from 61¢ to 21¢, as will be noted below:

Item	: Nine months ending with September 30		
	: 1922	: 1923	: 1924
Gross expense (per month-ton)	: \$14.40	: \$9.17	: \$5.02
Overhead expense (per ton of raisins sold)	: 17.97	: 9.84	: 5.77
	: Crop year ending with August 31		
	: 1921-22	: 1922-23	: 1923-24
Advertising (per ton sold because of advertising)	: \$18.13	: \$12.39	: \$9.56
Operating division expenses (per month-ton)	: 7.71	: 3.55	: 3.51
Cost of financing (per ton received)	: 2.49	: 3.12	: 2.10
Working capital (per month-ton)	: .61	: .45	: .21

Sales for the first nine months of 1922 and 1923 were about the same but those for the first nine months of 1924 were 83.6 per cent greater than for the same period of 1922.

Sun-Maid raisins are being advertised in England, Holland, Belgium, Denmark, Norway, Sweden, Finland, Japan, China, Mexico, and other foreign countries.

CONSUMER DEMAND BEING DEVELOPED BY FRUIT GROWERS EXCHANGE

Orange, grapefruit and lemon shipments by the California Fruit Growers Exchange, Los Angeles, Calif., totaled 44,266 car-loads for the business year ending October 31, 1924, according to the annual report of the general manager. Of the total 32,715 cars were oranges and grapefruit and 11,551 cars were loaded with lemons. In terms of boxes the shipments were approximately 14,800,000 boxes of oranges and grapefruit and 4,588,211 boxes of lemons. The car-lot shipments were 72.9% of the total shipments of citrus fruit from California for the year as compared with 75.8% for the preceding year. The decrease in percentage of shipments by the exchange is accounted for by unfavorable weather conditions in territory which usually furnishes a big volume of business.

Returns, f.o.b. California points are placed at \$50,515,497 for the year. Credit losses for the year were but \$2,150 which was 4/1000 of 1 per cent of the f.o.b. value.

In the following table are given figures indicating the growth of the exchange business since 1913.

Year	Number of Cars Shipped	Per Cent of: Total Ship- ments from State	F.O.B. Value	Losses in Collec- tions
1913	12,443	61.5	\$13,500,000	\$390
1914	28,186	61.9	19,246,757	355
1915	29,805	62.5	19,537,850	---
1916	29,823	67.0	27,703,000	102
1917	36,218	69.0	33,611,000	none
1918	19,248	76.0	36,422,200	none
1919	33,174	72.3	55,000,000	464
1920	34,461	73.7	59,221,329	435
1921*	43,592	72.5	61,080,003	3,570
1922	27,138**	68.7	48,647,800	4,997
1923	45,258**	75.8	55,223,450	6,926
1924	44,266**	72.9	50,515,497	2,150

\*Previous to 1921 the fiscal year ended August 31, but beginning with 1921 it has been October 31.

\*\*Basis of 400 boxes to a car.

Exclusive of the assessments for advertising the expense of the exchange service for the year amounted to 5.45 cents a box, the district exchange service was 1.41 cents a box making a total of 6.86 cents a box, or 2.63 per cent of the average f.o.b. value. Exchange service includes maintenance of all departments, salaries, expenses of sales force, brokerage charges, daily telegraph market news, collection of claims, legal expenses, organization and development work, and all other operating costs.

Cost of exchange and district service per box for previous years as given in the annual reports of the organization are as follows:

Year	:	Cents	:	Year	:	Cents
1913	:	8.66	:	1919	:	5.20
1914	:	6.60	:	1920	:	6.63
1915	:	7.16	:	1921	:	7.03
1916	:	5.65	:	1922	:	9.50
1917	:	4.75	:	1923	:	6.86
1918	:	6.10	:	1924	:	6.86

Assessments for advertising were 4-1/2 cents a box for oranges and grapefruit and 7 cents a box for lemons. These figures are each one-half cent higher than the assessments made for the previous year. (See Agricultural Cooperation, January 14, 1924, p. 25.)

Advertising assessments have been increasing since 1919 as will be noted by the following table:

Year	:	Oranges and Grapefruit	:	Lemons	:	Approximate Assessment
	:	(Cents per box)	:	(Cents per box)	:	(Dollars)
1916	:	2.5	:	4.0	:	335,000
1917	:	2.25	:	4.0	:	395,000
1918	:	2.0	:	4.0	:	215,000
1919	:	2.5	:	4.0	:	425,000
1920	:	2.5	:	6.0	:	515,000
1921	:	3.5	:	6.0	:	780,000
1922	:	3.5	:	6.0	:	490,000
1923	:	4.0	:	6.5	:	790,000
1924	:	4.5	:	7.0	:	900,000

In round figures \$900,000 was available for advertising the 1923-24 citrus crop. It is stated that because of the increased production of citrus fruits in California and Florida and because of the large fraction of the California orange crop which was under-size because of unfavorable weather, it was necessary to make unusual merchandising inducements. It was necessary to increase the unit of sale. Oranges in many districts were sold by the peck, special sales with special prices on odd quantities were conducted. As lemon shipments were 53 per cent in excess of the preceding year intensive sales methods had to be employed to dispose of the fruit in the hands of the exchange. An increase quantity of citrus fruit was exported to Honolulu and the Orient and the shipments to the United Kingdom were three times those of any recent year.



The advertising campaign included 53,000,000 full color-pages in magazines with national circulation and 175,000,000 insertions in daily newspapers in the United States and Canada. In addition, farm papers were used, also, trade papers, posters, window displays and special news articles in newspapers and magazines. More than a million especially prepared bulletins for classroom instruction were supplied to schools. The support and cooperation of 3,000 jobbers and 400,000 retailers who handle oranges and lemons was enlisted. During the year the exchange's 17 service men "personally visited 44,000 retail stores and in addition to giving advice and suggestions on fruit sales, placed in store windows 225,000 pieces of Sunkist and Red Ball display material."

Considerable effort was made to develop an increased demand for fruit juices. Over 8,000 of the exchange's orange and lemon juice extractors were sold, making the total number now in use 20,000. It is estimated that these extractors increase the demand for citrus fruit to the extent of 2,500 carloads a year. In commenting upon this phase of the business, the general managers say, "Fresh fruit drinks, both commercial and in the home, offer one of the most promising potentials of increased citrus fruit consumption which are apparent at the present time. This source of demand deserves and is receiving careful study and constructive development by the exchange."

In discussing the situation as regards lemons the manager said, "It is particularly necessary to increase the uses which are not dependent on weather and thus to develop a more even demand throughout the seasons and thereby minimize the violent price fluctuations resulting from unfavorable consuming weather. To this end the exchange advertising on lemons is being directed."

It is reported that during the year four new associations affiliated with the exchange and that the net increase in membership acreage was 5,851 acres, representing approximately 2,500 carloads of fruit. The gain in orange acreage was 5,032 acres and in lemon acreage was 819 acres.

Because of the large crops harvested during the 1923-23 season and the large quantity of small fruits, the orange and lemon by-product companies processed a much larger tonnage than ever before. The plant of the Exchange Orange Products Company was on a 24-hour schedule the greater part of the year. About 2,000 carloads of lemons were processed at the plant of the Exchange Lemon Products Company. The product of the season's run was 30,000 pounds of pectin, 60,000 pounds of lemon oil and over 1,000,000 pounds of crystallized citric acid.

The Fruit Growers Supply Company, which is owned and operated by members of the exchange, furnished supplies to the members to the value of \$9,107,078, but other transactions brought its total business transactions to \$10,687,800 for the year ending October 31, 1924.

DAIRYMEN'S LEAGUE BUYS UP ANOTHER COMPETITOR

On January 1, 1925, the Dairymen's League Cooperative Association, Inc., New York City, took over the business of the W. M. Evans Dairy Company, a retail distributing company which was founded in 1878. This company had twelve country plants at which fluid milk was collected for shipment to the pasteurizing and distributing plant in Brooklyn, N. Y. Four distributing stations and 226 retail routes were operated also. The twelve country plants are being incorporated into the system of the Dairymen's League Cooperative Association but the properties in the city and the retail delivery routes are being disposed to a distributor of milk. (Agricultural Cooperation, Jan. 5, 1925, p. 9.)

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ASSOCIATION CLOSES YEAR WITH A SURPLUS

Milk and cream sales by the Valley of Virginia Cooperative Milk Producers' Association, Harrisonburg, Va., for the business Year ending August 31, 1924, amounted to \$241,515. The expenses for the year were \$56,979 and the surplus at the close of the year was \$2,297. Among the larger items of expense were the following: express, \$18,810; factory labor, \$8,926; coal, \$6,304; salaries, \$4,093; directors' fees, \$501. The balance sheet as of August 31 gives the value of real estate and plant equipment as \$35,000. The capital of the association was represented by certificates of indebtedness outstanding to the amount of \$31,000. A large portion of the milk is shipped to Norfolk, Va.

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LOCAL CREAMERY ENJOYS PROSPERITY

During the year extending from January 1, 1924, to January 5, 1925, the Goldendale Creamery Company, Edinburg, Pa., received 130,174 pounds of butterfat and made 159,762 pounds of butter which was sold for \$80,994. Sale of buttermilk brought total receipts for dairy products up to \$82,827. Of this amount \$75,116 was paid to patrons and \$7,711 was used in meeting expenses of operation. The average price of Goldendale butter was 51 cents and the average price paid to patrons for butterfat was 57 cents.

This creamery company which was formed in 1892 has 50 stockholders, about 30 of whom are patrons furnishing butterfat. The total sales during recent years were: 1921, \$82,500; 1922, \$78,800; 1923, \$92,600; 1924, \$82,800.

CHEESE FACTORIES OPERATE COOPERATIVELY A STORAGE PLANT

Five cooperative cheese factories in Ohio formed in July of 1924 the Swiss Cheese Storage Company. Each factory purchased \$1,200 worth of the capital stock of \$10,000 of the company and a cold-storage plant with capacity for 90,000 pounds of cheese was established at Sugar Creek, Ohio. Each factory has its own space in the plant and stores and sells according to the judgment of its sales manager. The sales representatives of the five factories form a committee which considers matters of mutual interest.

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SEVEN SUCCESSFUL YEARS FOR CREAMERY ASSOCIATION

Seven successive years with good profits are reported by the Farmers' Equity Cooperative Creamery Association, Orleans, Nebr. The total net profit for the seven years amounts to \$142,000, and for the past year to \$16,994. One manager has been in charge of the business for the entire period.

According to a statement by certified public accountants, the net worth of the company increased from \$6,237 on June 30, 1918, to \$93,277 on May 31, 1924. On the same date the plant, machinery and equipment less depreciation, were valued at \$73,000. This property is free of debt. The ratio of current resources to current liabilities was given as \$1.93 to \$1.00. The company manufactures large quantities of fancy creamery butter and ice cream.

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CHEESE MAKING BY ELEVEN TENNESSEE FACTORIES

Eleven cheese factories in Tennessee with 222 patrons made 330,758 pounds of cheese from 2,945,024 pounds of milk in 1924, according to a report received from the College of Agriculture. The output of the eleven factories was sold at prices ranging from 19.27 cents a pound to 23.30 cents, with total sales amounting to \$66,825. Patrons were paid for the 126,013 pounds of butterfat in the milk delivered, from 36.54 cents a pound to 43.2 cents.

The cost of making and selling ranged from 3.03 cents a pound to 5.26 cents. It is noted by the figures submitted that the association receiving the largest amount of raw material returned to its patrons a higher price per pound for butterfat than any of the other factories. This appears to be because of a fairly low cost for making and selling combined with a fairly good price for cheese sold.

The number of patrons per association varied from 8 to 39. What seems to be the most successful of the eleven organizations had 24 members. This was the association with the largest volume of raw material, with a fairly low cost for making and selling, a fairly high selling price, and the highest return per pound of butterfat.



INCREASED BUSINESS FOR TEXAS COTTON ASSOCIATION

Cotton deliveries to the Texas Farm Bureau Cotton Association, Dallas, Texas, were on December 31, 1924, 99,577 bales ahead of deliveries on the same date in 1923. It is expected that the total deliveries for the 1924-25 season will exceed 283,000 bales as compared with 182,318 bales for the season of 1923-24.

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GROWERS ORGANIZE TO SELL SEED POTATOES

With twenty-nine charter members the Michigan Certified Seed Potato Growers' Association, Cadillac, Mich., was formed in November. The by-laws of the association provide that members shall sign seed sales contracts with the seed department of the Michigan Potato Growers' Exchange. Growers will be permitted to sell to neighbors on a payment of two cents a bushel into the educational fund of the exchange.

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EDUCATIONAL WORK IN TEXAS

A short course for farmers was held recently in Texas, under the auspices of the Texas Wheat Growers' Association, Amarillo, Texas. Principles of cooperative marketing and farm history were among the subjects taught. Five lessons were given and it is stated that twenty-three farmers were in attendance the first session but before the end of the course the enrollment had reached more than one hundred. A series of such schools is planned by the management of the wheat association.

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MARKETING COMMITTEE ASKS FOR INSTRUCTIONS FROM MEMBERS

A resolution adopted at the July meeting of the Arizona Wool Growers' Association, Phoenix, Ariz., instructed the officers to plan an organization for marketing the 1925 wool clip on a cooperative basis. Preliminary arrangements have been made and a meeting of the marketing committee was held November 26, but before taking further steps the committee considers that it should have an expression of opinion from the members regarding warehousing, pooling, or other important matters. Tentative plans have been made for financing the wool provided it is warehoused in Arizona.

CATHOLIC RURAL LIFE CONFERENCE FAVORS COOPERATION

At the Catholic Rural Life Conference, Milwaukee, Wis., October 21-23, 1924, a resolution was passed which read in part as follows:

Among the measures for making the farm more attractive we recognize the special importance of cooperative marketing, agricultural education in secondary schools, and the dignifying of the agricultural profession by calling attention to the fact that it provides the widest diffusion of private ownership of productive property in America, the best opportunity of self-employment and the natural environment for wholesome family life.

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COOPERATIVE RESOLUTION BY STATE MARKET MEN

At the sixth annual meeting of the National Association of State Marketing Officials held in Chicago, December 1-3, 1924, a resolution was adopted opposing the creation of new governmental machinery for serving farmers' cooperative business organizations and recommending that the Federal Department of Agriculture be given an extension of authority. The exact wording of the resolution was as follows:

No new governmental agency should be given any control over, or made responsible for, the activities of farmers' marketing organizations, but rather, that the Department of Agriculture be given such logical extension of its present authority as shall enable it to render the services needed by such organized growers and others who serve the producer in the distribution of his products.

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PLANS FOR INSTITUTE OF COOPERATION DEVELOPING

At a meeting held in Chicago during the early part of December, 1924, by those interested in the proposed Institute of Cooperation, it was decided to incorporate at once under the law of the District of Columbia providing for educational institutions. It was also decided to substitute the word American for the word International in the name of the organization. It will therefore be incorporated as the American Institute of Cooperation. Despite the change in name full consideration will be given in the courses of study offered by the institute to cooperative marketing activities in all parts of the world.

Eleven invitations from as many universities and colleges were in the hands of the secretary in connection with the holding of the first session of the institute in 1925. The matter of making a decision was left open until the incorporation of the institute could be completed and permanent officers selected.



MANY FINANCIAL STATEMENTS PUBLISHED

Detailed financial statements regarding 76 cooperative associations were published during 1924 in the Equity Union Exchange, the official organ of the Farmers' Equity Union, Greenville, Ill. The seventy-six associations transacted business amounting to over \$7,000,000 and the net profits reported were in excess of \$370,000.

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FIVE PAMPHLETS ON COOPERATION TO BE ISSUED

Announcement is made by the Colorado Wheat Growers' Association, Denver, Colo., that a series of pamphlets dealing with certain phases of cooperative marketing are in the course of preparation. The first five pamphlets in the series which will be issued soon, are to treat of the following subjects:

1. Financing cooperative marketing organizations.
2. Legal status of the cooperative.
3. Benefits cooperatives have won.
4. Protein in wheat; what it is, and how it gets there.
5. Cooperative marketing from a business man's view point.

It is stated that these publications are being issued in "response to numerous requests from schools, business houses and association members."

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SIXTY BUSINESSES AUDITED BY COOPERATIVE SERVICE

Sixty businesses have been audited by the Illinois Agricultural Cooperatives Association, Chicago, Ill., since June of 1924. This organization is a cooperative association in which the members are cooperatives. It was created for the purpose of furnishing auditing, accounting and business advisory service on the cooperative basis, that is, according to the cost of the services rendered. At the present time it has a membership of 117 associations as follows: farmers' elevators, 53; county farm bureaus, 39; livestock shipping associations, 9; livestock terminal marketing agencies, 3; supply companies, 3; seed company, 1; and fruit association, 1. A branch office is maintained at Springfield, Ill.

The association was incorporated May 31, 1924, under the Illinois, non-stock, non-profit act. Member associations sign a contract agreeing to continue as members for three years and to use the cooperative auditing service. It is stated by the management that the association is the first of the kind in Illinois.

BULLETIN FURNISHES INFORMATION FOR IOWA COOPERATIVES

"Cooperating Under the Iowa Cooperative Laws," is the title of a bulletin by Frank Robotka, issued recently by the Agricultural Experiment Station of the Iowa State College of Agriculture and Mechanic Arts, Ames, Iowa. The author states that "The purpose of this bulletin is to discuss the available Iowa legal forms in the light of their adaptability to the different purposes of farmers' organizations."

Three Iowa laws are available for associations desiring to incorporate, the ordinary corporation law, the cooperative stock law of 1915, and the cooperative nonstock law of 1921. Important features of the three laws are presented in tabular form for ready reference and comparison, and are discussed more fully under the following headings: (1) Controlling the membership; (2) Democratic or capitalistic control; (3) Distribution of benefits; (4) Sharing the responsibilities.

Recommendations are made for financing nonstock associations, for handling the revolving fund, for changing the form of organization, for dissolving the old company, and other matters.

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A STATISTICAL BULLETIN ON COOPERATION ISSUED

"Development and Present Status of Farmers' Cooperative Business Organizations," is the title of Department Bulletin No. 1302, prepared by R. H. Elsworth, and recently issued by the United States Department of Agriculture. The statistical material dealing with cooperation for farmers, collected by three nation-wide surveys, has been brought together and arranged in tables in order that comparisons may be made and the trend of cooperative activity noted.

The first of the surveys was made by the Department of Agriculture and covered the years 1912-1915. The second was by the Bureau of the Census in 1919, and the third by the Department of Agriculture, 1922-1924. The third survey was much more comprehensive than either of the others. Reports were obtained from 10,160 different organizations and considerable more information was collected and tabulated than in connection with any former study. The associations reporting have been grouped according to commodities handled and according to the geographic divisions and states in which the organizations are located. Included in the information tabulated are figures regarding number of members, amount of annual business, years of organization, number of associations incorporated with capital stock, number paying patronage dividends, etc.

Available information regarding consumer cooperation and "associations out of business," has been tabulated and included, also statistical information regarding more than thirty representative organizations.

The bulletin is illustrated with thirty-seven maps and charts. A limited number of copies are available for distribution and may be had upon request to the Division of Agricultural Cooperation, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C.

### INDIANA WOOL GROWERS COOPERATE WITH OHIO GROWERS

A total of 350,085 pounds of wool of the 1924 clip was included in the wool pool of the Indiana Farm Bureau Federation, Indianapolis, Ind. This wool, which came from 1,571 wool producers, was sold for \$139,582, or an average of 39.8 cents a pound. The actual selling was done by the Ohio Wool Growers' Cooperative Association, Columbus, Ohio, which handled the Ohio, Indiana and Michigan wools sold cooperatively in 1924. Many sales were made direct to the manufacturers, the buyers visiting the warehouse at Columbus, where the wool was concentrated, selecting wools of just the grades required for their needs.

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### FARMERS' UNION REDUCES LIVESTOCK COMMISSION CHARGES

Commission rates for the marketing of livestock at terminal markets have been cut by the Farmers' Union organizations at Omaha, Nebr., and Sioux City, Iowa. Effective January 1 the rates of the Farmers' Union Livestock Commission at Omaha were reduced one-half. The rates of the Farmers' Union Livestock Commission at Sioux City have been reduced one-third. Both commissions find themselves in position to make the reductions because of the big surpluses which have been accumulating during recent years and which they have been returning to the shippers as patronage dividends. The Omaha organization handled business to the amount of \$13,250,000 in 1923 and reported patronage dividends of \$111,000, while the commission at Sioux City handled business totaling \$7,600,000 and reported patronage dividends of \$51,000.

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### PACIFIC POULTRY PRODUCERS' START MEMBERSHIP DRIVE

Efforts are being made to increase the membership of the Pacific Cooperative Poultry Producers, Portland, Oregon, until it represents 300,000 hens. Members have been supplied with blank contracts for the purpose of "signing-up" their neighbors who are not members. These contracts run for four years with provision for withdrawals during September of any year.

Recently the Eggsaminer was started as the official publication of the association. Its purpose is to keep the membership advised as to current problems and the methods employed for their solution. The December issue states that the gains from operations of the association for October amounted to \$2,766, and that the deficit because of previous losses has been reduced to a trifle over \$6,000. The present cost of handling eggs is less than 2 cents a dozen.

Announcement is made that an additional processing machine has been installed and that the purchase of a special cleaning machine is being considered.



## SUBSTANTIAL SAVINGS MADE BY COLLECTIVE BUYING

Purchases for its members to the amount of \$1,069,959 were made by the Indiana Farm Bureau Purchasing Department, Inc., Indianapolis, Ind., during the business year ending October 31, 1924. Among the items making up the total were the following:

Fertilizer, 16,695 tons .....	\$473,586
Feed, 7,451 " .....	309,065
Salt, 539 " .....	9,163
Coal, 21,150 " .....	126,900
Twine, 663,000 pounds .....	76,245
Miscellaneous .....	<u>75,000</u>
Total .....	\$1,069,959

The miscellaneous items included 99 bushels of grass seed, 1,522 bushels of potatoes, 432 tons of limestone, 182 barrels of lime-sulphur solution, 485 pounds of arsenate of lead, and 600 pounds of meat scraps.

During the business year patronage dividends to the amount of \$36,737 were paid.

The fertilizer business handled increased 50% over that of the preceding year. The increase in feed tonnage was 500%, and in coal tonnage, 60%. There was a decrease of approximately 45% in the amount of twine handled. It is stated that the decrease was due to the fact that the twine handled the previous year was of poor quality and failed to give satisfaction.

The manager of the department, in reviewing the 1924 year, says, "It is particularly gratifying to note the tremendous increase in savings as the volume increases, the savings increasing much more rapidly than the volume. We feel yet that we are only getting a start, and we believe that next year will develop a genuine revelation in cooperative buying in Indiana."

The association is incorporated with authorized capital stock of \$10,000, divided into shares of the par value of \$1.00 each. As yet but \$2,600 of the authorized capital stock has been issued. The management of the association rests in a board of six directors elected annually.

According to the by-laws all earnings or savings shall be used, first, to pay a dividend of 6% on outstanding capital stock, and second, to pay patronage dividends in accordance with the amount of business transacted with the association by its patrons, except that the directors may hold earnings or savings for use as capital by issuing certificates of indebtedness without date of maturity but bearing 6% interest.

On October 31, the assets of the association amounted to \$51,628, and current liabilities to but \$16,487.

The association was incorporated March 28, 1922, as the Federated Marketing Service, Inc. On July 5, 1923, this name was changed to the Indiana Farm Bureau Purchasing Department, Inc.

THIRD NATIONAL MEETING BY COOPERATIVE MARKETING ASSOCIATIONS

Representatives of cooperative marketing associations with over 700,000 members attended the third cooperative marketing conference, under the auspices of the National Council of Farmers Cooperative Marketing Association, Washington, D. C., January 5-8, 1925. Among those who addressed the conference were: President Coolidge; Judge R. W. Bingham, editor, Louisville Courier-Journal; Hon. Frank O. Lowden, ex-governor of Illinois; Carl Williams, editor, Oklahoma Farmer-Stockman; A. J. McPhail, president, Canadian Cooperative Wheat Producers, Ltd.; C. O. Moser, secretary, Texas Farm Bureau Cotton Association; M. O. Wilson, director, field service, Tobacco Growers Cooperative Association of Virginia, North Carolina and South Carolina; Hon. Herbert Hoover, Secretary of Commerce; Dr. B. W. Kilgore, president, American Cotton Growers' Exchange; Hon. M. L. Corey, formerly manager of intermediate credit banks; Hon. Howard M. Gore, Secretary of Agriculture; A. E. Bing, secretary-treasurer, North Carolina Cotton Growers' Cooperative Association; C. L. Stealy, secretary and manager, Oklahoma Cotton Growers' Association; Aaron Sapiro, cooperative counsel; Walton Peteet, secretary, National Council of Farmers Cooperative Marketing Associations.

In addition to the regular sessions of the conference there were numerous group meetings of those interested in the marketing of special commodities or in a particular phase of the cooperative movement.

At the business meeting of the National Council held on January 8 the program and activities of the council during the past year were reviewed. It was pointed out that the council began functioning with a paid secretary on January 1, 1924, and that a constructive program had been carried out during the year.

A department of information was conducted, thirteen cooperative marketing schools were held, and the attacks on cooperative marketing were repulsed. In the department of information, matters dealing with field service and legal problems were handled. In addition, members of the council were furnished with news and editorial matter relating to cooperative marketing.

Resolutions were passed denouncing the unwarranted attacks being made upon cooperative marketing, asking for assistance from the government in the matter of unfair trade practices and directing the appointment of a committee to present the policies of the council to the President, Congress and the Agricultural Commission.

Judge R. W. Bingham was elected president of the council for the third time. It was decided to increase the executive committee, which handles, most of the business matters of the council, from 15 to 21.

The executive committee at a meeting following the adjournment of the council approved a budget of \$25,000 for 1925. It decided to open an office in Washington, D. C., in addition to continuing the Chicago office. Publicity matter will be handled from Washington.



TENNESSEE SUPREME COURT DECIDES TOBACCO CASE

On December 1, 1924, the Supreme Court of Tennessee decided the case of the Dark Tobacco Growers Co-Operative Association v. C. C. Dunn, et al.

The association is a co-operative corporation formed under the laws of the State of Kentucky and was doing business in Tennessee. The defendant had entered into a contract with the association under which he was required to market all of his tobacco through it.

The association alleged in its complaint that a bank that was also named as defendant had, with actual knowledge of its contract with Dunn, taken a mortgage on his tobacco, and charged that under the circumstances the transaction was fraudulent. The association prayed for specific performance of the contract and asked that the bank be enjoined from selling the tobacco under its mortgage or from interfering in any way with the performance of the contract.

The lower court refused an injunction, and the Supreme Court held that this was error. In this connection the court called attention to the fact that the statute under which the association was organized authorized the issuance of an injunction and that the cooperative statute of Tennessee also authorized the granting of an injunction to prevent a breach or threatened breach of a marketing contract. In this connection the court cited a number of cases involving cooperative associations in which the courts have held that their contracts with members were enforceable. With respect to these cases the court said:

The basis of the decisions are obvious. The complainant could not do business without tobacco. When it contracts to sell, it must fill its contracts with tobacco delivered by its members. It cannot replace defendant's tobacco by purchasing upon the open market. Its charter prohibits it from so doing. For each pound of tobacco which is not delivered to the association by a member, there is a pro-rata increase in the operating costs of the association -- and that increase cannot be estimated in terms of money with definite exactness. For every defection of one member, there is a certain amount of dissatisfaction engendered among other members; indeed, other members are encouraged not to deliver their tobacco, and the normal increase of the association's members is prevented. All these things result in damage, but the amount of damage cannot possibly be computed.

The validity of the statute under which the association was organized was directly challenged in this case and unsuccessful efforts were made to show that it was unconstitutional under the constitution of Tennessee and under the Federal constitution. It was alleged that the statute under which the association was formed violated the equal protection clause of the 14th amendment to the Federal constitution. In this connection the defendants relied upon the case of Connolly v. Union Sewer Pipe Co., 184 U.S. 540, "in which the Supreme Court held that the Illinois anti-trust statute violated said provision of the constitution because it expected from the provisions of the act agricultural products or livestock while in the hands of the producer or raiser."

The court further said with reference to this matter:

In that case the court was dealing with a statute which made trusts or combinations in restraint of trade a crime, but which excepted from its provision "producers of agriculture and raisers of livestock." Certainly no reasonable justification could be offered in support of a classification of that nature. If it is wrong for a merchant to monopolize a particular business it is likewise wrong for a farmer to do so. The principle is the same in both cases. If the act here involved has for its object the destruction of competition and the creation of a monopoly, then it violates the equal protection clause of the constitution and is invalid.

In this connection, attention is called to the following quotations from the opinion in this case:

In our opinion, the classification of farmers into cooperative associations for the purposes set forth in the act is reasonable and natural, and one that should prove beneficial rather than detrimental to the public.

Until it is established that complainant has committed an act detrimental to the public welfare, it is a lawful organization and its contracts are not subject to attack.

Giving the act full faith and credit, and taking into consideration the history of cooperative associations, it appears that the purpose is to reduce rather than increase the price paid by the consumer, and thereby create a demand for larger quantities of farm products. The object sought is an increased return to the producer by eliminating speculation and waste; obviating dumping; reducing freight rates; marketing in an orderly and economic manner; making the distribution of agricultural products between producer and consumer as direct as can be efficiently done; studying marketing problems from the standpoint of the consumer and creating new markets.

It is apparent from the foregoing that the court adhered to the principle that the acts and conduct of an organization are to be given great weight in determining the validity of the organization.

L. S. Hulbert.

AGRICULTURAL AID SOCIETY HELPS NATIVES IN MOROCCO

Many loans are made to farmers of French Morocco by the Native Cooperative Agricultural Aid Society which was established in 1917 and operates in 43 different localities in the zone of the French protectorate. A report from the American consul at Tangier, dated November 6, 1924, states that satisfactory operating results are reported and that the society seems to be on a sound financial basis. From the first the work has proceeded in an orderly manner along conservative lines and loans have been made with considerable care and well within the limits of the funds available. Loans are made both in cash and "in kind," or in agricultural material, machinery, and livestock. Figures showing the outstanding loans at the end of each fiscal year are as follows:

Year :	Cash :	In Kind :	Total
	(Francs) :	(Francs) :	(Francs)
1917 :	- - - - - :	46,296.10 :	46,296.10
1918 :	297,040.00 :	789,855.76 :	1,086,895.76
1919 :	290,178.30 :	190,272.34 :	480,444.64
1920 :	697,465.00 :	1,696,133.99 :	2,393,598.99
1921 :	1,688,480.00 :	1,842,426.82 :	3,530,906.82
1922 :	2,619,833.50 :	834,241.82 :	3,454,075.32
1923 :	4,013,292.50 :	1,464,671.99 :	5,476,964.49

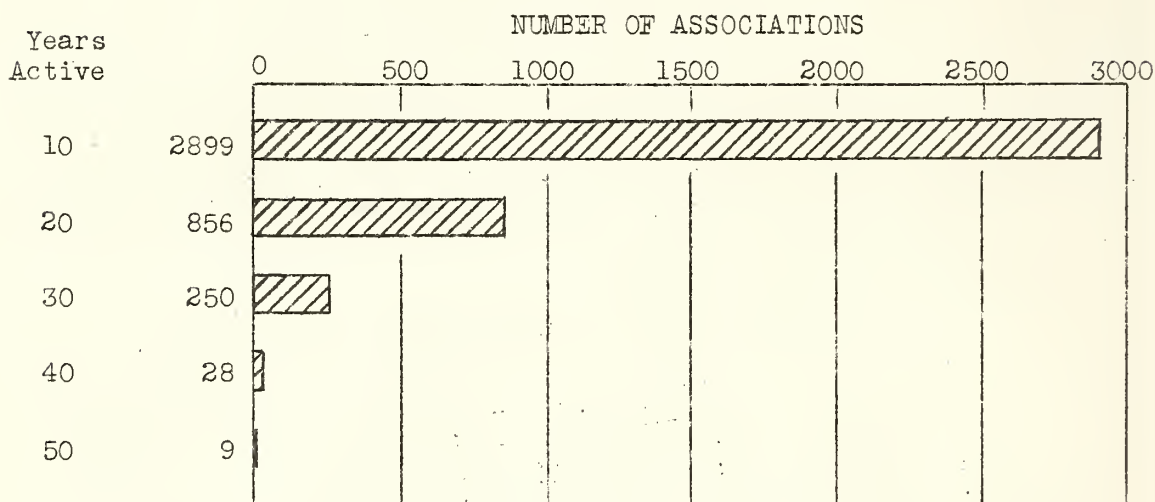
The general balance available at the end of each period was as follows:

	<u>Francs</u>
1919 .....	3,294,954.01
1920 .....	5,366,672.83
1921 .....	10,739,373.34
1922 .....	12,474,894.13
1923 .....	14,959,830.82

At the end of the 1923 year the number of individual subscribers was 428,193.

Careful attention is given to the selection and improvement of grain and seeds for the use of members. Seeds distributed are treated with copper-sulphate and efforts are made to impress the farmers with the importance of such treatment. Animals for breeding purposes are also selected with care and with special reference to their suitability to climatic conditions.

It is felt by the leaders in this work that, while progress has not been rapid, a very considerable effort has been made to assist the natives and to introduce orderly methods into the agriculture of French Morocco.

MANY FARMERS' ASSOCIATIONS ARE LONG-LIVED

In the files of the United States Department of Agriculture are reports regarding 2899 farmers' business organizations which have been functioning since 1914. Of this number 856 associations have been active for twenty years or longer, 250 for thirty years, 28 for forty years and 9 for fifty years.

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